



**Human Resources Division**  
P.O. Box 942718  
Sacramento, CA 94229-2718  
Telecommunications Device for the Deaf - 711  
(916) 795-3065, FAX (916) 795-4001

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## **AGENDA ITEM 5**

**TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE**

- I. SUBJECT:** 2006-2007 Performance Plan for Recently Appointed Portfolio Manager, Fixed Income Commodities (Second Reading)
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Recommend the Board Approve the Second Reading of the 2006-2007 Performance Measures for the Portfolio Manager, Fixed Income Commodities
- IV. ANALYSIS:**

The Board of Administration's compensation procedures include a schedule for approving performance plans and reviewing quarterly status reports. Performance plans for newly-appointed investment management staff will be presented on a flow basis, as soon as is practical after each position is filled. This item presents, for second reading, the performance plan and duty statement for the Portfolio Manager, Fixed Income Commodities.

In accordance with the program policies and procedures, the quantitative measures in this performance plan have been reviewed for clarity by the investment consultant.

**V. STRATEGIC PLAN:**

Under Goal V of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

**VI. RESULTS/COSTS:**

The establishment of performance measures is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

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Chris O'Brien, Chief  
Human Resources Division

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Gloria Moore Andrews  
Deputy Executive Officer - Operations

Attachments

**2006-2007 Performance Plan for the  
Portfolio Manager, Fixed Income Commodities**

A duty statement and 2006-2007 Fiscal Year Performance Plan is presented for second reading in the following pages:

Position

Portfolio Manager, Fixed Income  
Commodities

Current Incumbent

John Kowalik